

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 362 – SB 295

March 29, 2017

SUMMARY OF ORIGINAL BILL: Prohibits the Department of Environment and Conservation (TDEC) from issuing permits that have not been reviewed by the General Assembly under the Uniform Administrative Procedures Act.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006384): Deletes all language after the enacting clause. Prohibits TDEC from issuing a national pollutant discharge elimination system (NPDES) to a municipal separate storm sewer system operated by local government entities unless the financial impact of the post construction storm water requirements have been first reviewed by the General Assembly under the Uniform Administrative Procedures Act. Requires the General Assembly to make recommendations to ensure that requirements for permanent storm water measures do not exceed federal law minimum requirements. Requires TDEC to submit an annual report to the General Assembly describing the financial impact of the post construction storm water requirements on such local governmental entities and persons required to comply of the NPDES permit requirements. Requires the report to include the actual or anticipated cost for the storm water control measures installation and the qualitative cost of loss of available land use that must be dedicated to storm water control measures and buffer areas. Requires the first report to be filed by July 15, 2017, and shall include the financial impact of every NPDES permit issued during FY16-17. Requires all subsequent reports be filed by July 15 describing the financial impact of each issued NPDES permit during the previous fiscal years.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$31,200/General Fund
\$43,000/Environmental Protection Fund**

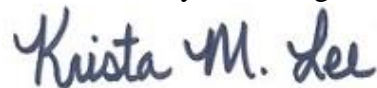
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Assumptions for the bill as amended:

- The proposed legislation requires TDEC to make financial impact determinations and determine the actual and anticipated costs of installation of storm water control measures and the qualitative cost of loss of available land.
- TDEC indicates that economic modeling will have to be performed in order to compile the annual report, and as a result the Department will require one Policy Analyst position.
- The recurring increase in state expenditures is estimated to be \$74,219 (\$49,440 salary + \$15,129 benefits + \$9,650 travel, training, computer supplies, telephone supplies, office space, and motor vehicle expenses).
- According to TDEC, the position will be under the Division of Water Resources which will receive a 58 percent funding ratio for the position from the state Environmental Protection Fund (EPF); as a result, the recurring increase in state expenditures from the state EPF is estimated to be \$43,047 (\$74,219 x 58.0%), and the recurring increase in state expenditures to the General Fund is estimated to be \$31,172 (\$74,219 x 42.0%).
- It is assumed that the General Assembly will only review those permits TDEC has determined should be issued.
- It is further assumed that all permits will receive a final decision within the timeframe established in the regulations.
- The number of permits issued each year will not be significantly impacted by the proposed legislation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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